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SUBJECT: IRAN: GERMANY SUPPORTS U.S.-IRAN DIALOGUE, WANTS TO "WAIT AND SEE" BEFORE TAKING EU ACTION

Classified By: Minister Counselor for Political Affairs Jeffrey Rathke for reasons 1.4(b)/(d)

- 11. (C) SUMMARY: The German political establishment has enthusiastically greeted the Obama administration's new approach to Iran. Public statements from the Chancellor, Foreign Minister, and Bundestag members over the last three weeks have greeted USG statements regarding dialogue with Iran. German officials have also called on Iran to comply with its international responsibilities and to seize the opportunity for dialogue. But the Germans generally perceive the U.S. position moving closer to theirs, and do not feel under pressure to shift them.
- 12. (S) SUMMARY CONTINUED: Germany has long been reluctant to move aggressively on EU sanctions, and some senior German officials now are using the change of Administration to justify a short-term, go-slow approach. In private, government officials indicate that while Germany is continuing its national measures campaign, it is now holding off on pressing for additional EU sanctions against Iran, preferring to "wait and see" how U.S.-Iranian dialogue develops or at least to hear U.S. views. The MFA and Economics Ministry cite concern that sudden EU action could undermine U.S. dialogue with Iran, while the Chancellery notes that Germany seeks coordination with the USG before taking further steps. In order to keep Germany moving forward on EU action, communicating our expectations of Germany in maintaining multilateral pressure on the Iranian regime, as well as sharing our perspectives on U.S.-Iranian dialogue, will be necessary. END SUMMARY.
- (C) German politicians have reacted positively to the Obama administration's new approach to Iran, praising the USG's new openness to discussions with Iran in a variety of public fora. In his open letter to President Obama, FM Steinmeier called for a new Middle Eastern discussion that includes all important players in the region; he conceded, however, that in the case of Iran, "dialogue only makes sense if the interlocutor also wants to see a result." While acknowledging that cooperation will be impossible without the willingness to comply with internationally respected rules, Steinmeier voiced clear support for U.S.-Iranian interaction: "to offer to enter into dialogue with Iran is neither a show of weakness nor a concession. is sensible. That is why I would like to encourage you and your team to pursue this path as you announced." (COMMENT: Steinmeier's open letter was widely seen as having a domestic political motivation as well, to present him as a sort of soulmate of the Obama Administration. END COMMENT.)
- 14. (U) Similarly, Chancellor Angela Merkel said in a January 20 interview that U.S. negotiations and talks with Iran "could make sense," noting that the EU had held such talks in the past but with no success. Noting that Iran's non-transparent nuclear program and its threats against Israel created limits on cooperation with Iran, she put the burden on the Iranians to move forward on the P5 1 incentive package, saying that "it would be a positive signal if the

Iranians would be ready for a new approach, to include talks with the U.S.: I think it is worth a try."

- 15. (U) President Obama's comments on Iran in his January 26 interview with Al-Arabiya Television have also garnered praise from the Bundestag. Foreign Affairs Committee Chair and Iran expert Ruprecht Polenz (CDU) said &I have long believed that a stronger and direct American role is necessary for our strategy. President Obama's &willingness to speak with Iran without conditions opens this path.8 Polenz noted that negotiations are "the means to an end and not a reward... I hope that Tehran will take up this offer.8 Foreign policy up-and-comer Rolf Muetzenich (SPD), Chair of the German-Iranian Parliamentary Friendship Group and SPD spokesman on arms control and non-proliferation, added that President Obama's statements spoke to two important themes in the Muslim world: interest and respect: &this is exactly the right approach.8 Muetzenich did note that Iran must also be told what the price is, when they do not accept these new offers. That also belongs to diplomacy.8
- 16. (C) Despite tough talk on Iran in public, senior German officials tell us in private that Germany remains (again) reluctant to pursue EU sanctions. Senior MFA officials have candidly told us that, given this prospect for U.S.-Iranian dialogue, they have now adopted a "wait and see8 posture on new EU sanctions against Iran. Germany is preparing potential new EU sanctions for further discussion, they say, but wants to hold off on implementation until the results of U.S. and Iranian direct diplomacy are clear. MFA and Ministry of Economics contacts justify their approach by saying that the German government does not want to undermine U.S. efforts at dialogue by simultaneously implementing new sanctions. (COMMENT: Given the deliberate, months-long, and drawn-out nature of past EU sanctions negotiations, the risk of uncoordinated, sudden action by the EU seems slight. END COMMENT.)
- 17. (C) A Chancellery contact had a somewhat different take, indicating that Germany wants to coordinate with the new administration before taking any further steps at the EU level, but was not requiring direct U.S.-Iran contacts as some sort of precondition for the U.S. moving forward. Some working-level MFA contacts have shared this view. Germany's timeline remains vague, with one Ministry of Economics contact mentioning the June 2009 Iranian presidential election as a possible deadline. Contacts assure us that Germany is continuing its national measures efforts to dissuade German companies from trading with Iran (for more details see septel) and also continues to develop proposals in its interagency process for future EU action.
- 18. (S) COMMENT: Achieving more active German assistance in moving EU sanctions forward against Iran will depend on clearly laying out our expectations of German action and leadership on Iran-related issues, while also managing German expectations regarding the substance and timing of U.S.-Iranian dialogue. END COMMENT.

Koenig